



## 3-Statement Modeling

Strictly Confidential

### Table of Contents

[Model](#)

### Model Checks

Balance Sheet Unbalanced?

No

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## Assumptions & Drivers

All figures in USD thousands unless stated

		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Days in Period</b>		365	365	365	365	365	365	365	365
<b>Income Statement</b>									
Sales Growth			6.5%	7.4%	6.0%	6.0%	6.0%	6.0%	6.0%
Gross Margin		53.2%	56.5%	57.4%	55.0%	55.0%	55.0%	55.0%	55.0%
Distribution Expense (Percent of Sales)		7.2%	7.4%	6.6%	7.5%	7.5%	7.5%	7.5%	7.5%
Marketing & Admin Expense (Fixed Cost)		23,507	26,569	30,830	32,063	33,346	34,680	36,067	37,509
Research Expense (Percent of Sales)		2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%
Depreciation (Percent of Sales)		3.6%	3.2%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
Long-Term Debt Interest Rate (Average Debt)		6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Tax Rate (Percent of EBT)		34.7%	24.3%	15.3%	30.0%	30.0%	30.0%	30.0%	30.0%
<b>Balance Sheet</b>									
Capital Asset Turnover Ratio	(x)	4.23x	4.26x	4.40x	4.25x	4.25x	4.25x	4.25x	4.25x
Receivable Days (Sales Basis)	(Days)	57	59	58	60	60	60	60	60
Inventory Days (COGS Basis)	(Days)	69	74	74	75	75	75	75	75
Payable Days (COGS Basis)	(Days)	96	102	102	100	100	100	100	100
Income Tax Payable (Percent of Taxes)		39.4%	36.8%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Long Term Debt		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Common Share Capital		7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Dividend Payout Ratio		83.2%	55.8%	33.7%	70.0%	70.0%	70.0%	70.0%	70.0%

## Income Statement

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Cost of Goods Sold	(38,121)	(37,756)	(39,639)	(44,402)	(47,066)	(49,890)	(52,883)	(56,056)
<b>Gross Profit</b>	<b>43,301</b>	<b>48,942</b>	<b>53,447</b>	<b>54,269</b>	<b>57,525</b>	<b>60,977</b>	<b>64,635</b>	<b>68,513</b>
Distribution Expenses	(5,884)	(6,421)	(6,166)	(7,400)	(7,844)	(8,315)	(8,814)	(9,343)
Marketing and Administration	(23,507)	(26,569)	(30,830)	(32,063)	(33,346)	(34,680)	(36,067)	(37,509)
Research and Development	(1,764)	(1,931)	(2,026)	(2,269)	(2,406)	(2,550)	(2,703)	(2,865)
Depreciation	(2,960)	(2,803)	(2,907)	(3,157)	(3,347)	(3,548)	(3,761)	(3,986)
<b>EBIT (Operating Profit)</b>	<b>9,186</b>	<b>11,218</b>	<b>11,518</b>	<b>9,379</b>	<b>10,582</b>	<b>11,884</b>	<b>13,291</b>	<b>14,810</b>
Interest	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)
Earnings Before Taxes	7,946	9,978	10,278	8,139	9,342	10,644	12,051	13,570
Taxes	(2,761)	(2,429)	(1,570)	(2,442)	(2,803)	(3,193)	(3,615)	(4,071)
<b>Net Income</b>	<b>5,185</b>	<b>7,549</b>	<b>8,708</b>	<b>5,697</b>	<b>6,540</b>	<b>7,451</b>	<b>8,436</b>	<b>9,499</b>
Common Dividends	4,312	4,209	2,931	3,988	4,578	5,216	5,905	6,649

## Balance Sheet

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>								
Cash	5,289	5,918	10,159	8,650	8,562	8,627	8,860	9,278
Trade and Other Receivables	12,685	14,074	14,721	16,220	17,193	18,225	19,318	20,477
Inventories	7,168	7,691	8,036	9,124	9,671	10,251	10,866	11,518
Total Current Assets	25,142	27,683	32,916	33,994	35,426	37,103	39,045	41,274
Property Plant and Equipment	19,263	20,371	21,175	23,217	24,610	26,086	27,651	29,311
<b>TOTAL ASSETS</b>	<b>44,405</b>	<b>48,054</b>	<b>54,091</b>	<b>57,211</b>	<b>60,036</b>	<b>63,190</b>	<b>66,696</b>	<b>70,584</b>
<b>LIABILITIES</b>								
Trade and Other Payables	10,001	10,504	11,077	12,165	12,895	13,669	14,489	15,358
Income Taxes Payable	1,088	894	581	903	1,037	1,181	1,338	1,506
Total Current Liabilities	11,089	11,398	11,658	13,068	13,932	14,850	15,826	16,864
Long-Term Debt	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Liabilities	31,089	31,398	31,658	33,068	33,932	34,850	35,826	36,864
<b>EQUITY</b>								
Common Stock and Additional Paid-In Capital	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Retained Earnings	5,689	9,029	14,806	16,515	18,477	20,713	23,243	26,093
<b>Total Shareholders' Equity</b>	<b>13,316</b>	<b>16,656</b>	<b>22,433</b>	<b>24,142</b>	<b>26,104</b>	<b>28,340</b>	<b>30,870</b>	<b>33,720</b>
<b>Total Liabilities &amp; Equity</b>	<b>44,405</b>	<b>48,054</b>	<b>54,091</b>	<b>57,211</b>	<b>60,036</b>	<b>63,190</b>	<b>66,696</b>	<b>70,584</b>
Balance Sheet Check	-	-	-	-	-	-	-	-

## Cash Flow Statement

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash Flows from Operating Activities</b>								
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Depreciation	2,960	2,803	2,907	3,157	3,347	3,548	3,761	3,986
Changes in Operating Assets and Liabilities:								
Trade and Other Receivables	(1,280)	(1,389)	(647)	(1,499)	(973)	(1,032)	(1,093)	(1,159)
Inventories	(470)	(523)	(345)	(1,087)	(547)	(580)	(615)	(652)
Trade and Other Payables	490	503	573	1,088	730	774	820	869
Income Taxes Payable	50	(194)	(313)	322	134	144	156	169
Cash Flows from Operating Activities	6,935	8,749	10,883	7,679	9,229	10,305	11,464	12,712
<b>Investing Activities</b>								
Acquisitions of Property and Equipment	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Cash Flows from Investing Activities	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
<b>Financing Activities</b>								
Issuance of Common Stock	–	–	–	–	–	–	–	–
Dividends (current year)	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
Increase/(Decrease) in Long-Term Debt	–	–	–	–	–	–	–	–
Cash Flows from Financing Activities	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
Cash and Equivalents, Beginning of the Year	5,671	5,289	5,918	10,159	8,650	8,562	8,627	8,860
Increase/(Decrease) in Cash and Equivalents	(382)	629	4,241	(1,508)	(88)	65	233	418
<b>Cash and Equivalents, End of the Year</b>	<b>5,289</b>	<b>5,918</b>	<b>10,159</b>	<b>8,650</b>	<b>8,562</b>	<b>8,627</b>	<b>8,860</b>	<b>9,278</b>

## Working Capital and PP&E Schedule

All figures in USD thousands unless stated

		Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Days in Period		365	365	365	365	365	365	365	365
Revenue		81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Cost of Goods Sold		38,121	37,756	39,639	44,402	47,066	49,890	52,883	56,056
Taxes		2,761	2,429	1,570	2,442	2,803	3,193	3,615	4,071
Trade and Other Receivables	(Days)	57	59	58	60	60	60	60	60
Inventory	(Days)	69	74	74	75	75	75	75	75
Trade and Other Payables	(Days)	96	102	102	100	100	100	100	100
Income Tax Payable (Percent of Taxes)		39.4%	36.8%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
<b>Working Capital</b>									
Trade and Other Receivables		12,685	14,074	14,721	16,220	17,193	18,225	19,318	20,477
Inventory		7,168	7,691	8,036	9,124	9,671	10,251	10,866	11,518
Trade and Other Payables		10,001	10,504	11,077	12,165	12,895	13,669	14,489	15,358
Income Tax Payable		1,088	894	581	903	1,037	1,181	1,338	1,506
<b>Cash Changes from Working Capital</b>									
Trade and Other Receivables		(1,280)	(1,389)	(647)	(1,499)	(973)	(1,032)	(1,093)	(1,159)
Inventory		(470)	(523)	(345)	(1,087)	(547)	(580)	(615)	(652)
Trade and Other Payables		490	503	573	1,088	730	774	820	869
Income Taxes Payable		50	(194)	(313)	322	134	144	156	169
Cash from Working Capital Items		(1,210)	(1,603)	(732)	(1,176)	(657)	(694)	(732)	(773)
Revenue		81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
Capital Asset Turnover Ratio	(x)	4.23x	4.26x	4.40x	4.25x	4.25x	4.25x	4.25x	4.25x
Depreciation (Percent of Sales)		3.6%	3.2%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%
<b>Property, Plant &amp; Equipment (PP&amp;E)</b>									
Beginning of Period		19,218	19,263	20,371	21,175	23,217	24,610	26,086	27,651
Capital Expenditures/Additions (Disposals)		3,005	3,911	3,711	5,199	4,740	5,024	5,326	5,645
Depreciation Expense		(2,960)	(2,803)	(2,907)	(3,157)	(3,347)	(3,548)	(3,761)	(3,986)
<b>Net PP&amp;E, End of Period</b>		<b>19,263</b>	<b>20,371</b>	<b>21,175</b>	<b>23,217</b>	<b>24,610</b>	<b>26,086</b>	<b>27,651</b>	<b>29,311</b>

## Capital Structure Schedules

All figures in USD thousands unless stated

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Long Term Debt (LTD)</b>								
Beginning of Period	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Additions (Repayments)	-	-	-	-	-	-	-	-
<b>LTD, End of Period</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Long-Term Debt Interest (Average Debt)</b>								
	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%	6.2%
Long Term Debt Interest	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
<b>Total Interest</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>	<b>1,240</b>
<b>Common Stock and Additional Paid-In Capital</b>								
Beginning of Period	7,627	7,627	7,627	7,627	7,627	7,627	7,627	7,627
Additions (Repayments)	-	-	-	-	-	-	-	-
<b>Common Stock, End of Period</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>	<b>7,627</b>
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Dividends	4,312	4,209	2,931	3,988	4,578	5,216	5,905	6,649
<b>Retained Earnings (RE)</b>								
Beginning of Period	4,816	5,689	9,029	14,806	16,515	18,477	20,713	23,243
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Dividends	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
<b>RE, End of Period</b>	<b>5,689</b>	<b>9,029</b>	<b>14,806</b>	<b>16,515</b>	<b>18,477</b>	<b>20,713</b>	<b>23,243</b>	<b>26,093</b>

## Charts & Graphs

All figures in USD thousands unless stated

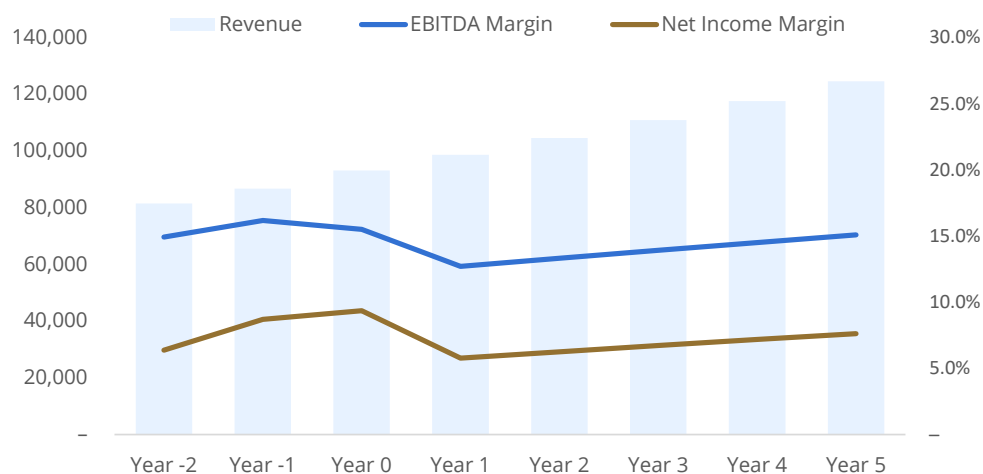
### Income Statement

	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	81,422	86,698	93,086	98,671	104,591	110,867	117,519	124,570
EBITDA	12,146	14,021	14,425	12,536	13,929	15,432	17,052	18,797
EBITDA Margin	14.9%	16.2%	15.5%	12.7%	13.3%	13.9%	14.5%	15.1%
Net Income	5,185	7,549	8,708	5,697	6,540	7,451	8,436	9,499
Net Income Margin	6.4%	8.7%	9.4%	5.8%	6.3%	6.7%	7.2%	7.6%

### Cash Flow

Operating	6,935	8,749	10,883	7,679	9,229	10,305	11,464	12,712
Investing	(3,005)	(3,911)	(3,711)	(5,199)	(4,740)	(5,024)	(5,326)	(5,645)
Financing	(4,312)	(4,209)	(2,931)	(3,988)	(4,578)	(5,216)	(5,905)	(6,649)
Change in Cash	(382)	629	4,241	(1,508)	(88)	65	233	418

### Income Statement



### Cash Flow Statement

